

## Message Text

LIMITED OFFICIAL USE

PAGE 01 COLOMB 01360 301331 Z

44

ACTION EB-11

INFO OCT-01 NEA-10 ADP-00 AGR-20 COME-00 TRSE-00 STR-08

AID-20 HEW-08 PA-03 PRS-01 USIA-12 CIAE-00 INR-10

NSAE-00 RSC-01 OMB-01 RSR-01 /107 W

----- 076315

R 301115 Z MAY 73

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 9560

LIMITED OFFICIAL USE COLOMBO 1360

E. O. 11652: N/ A

TAGS: EFIN, ETRD, PINT, CE

SUBJ: MILK BOARD ANNOUNCES SHARP PRICE INCREASE IN MILK PRODUCTS

REF: COLOMBO 1359

1. SRI LANKA MILK BOARD MAY 26 ANNOUNCED IMMEDIATE 50 TO 80 PERCENT INCREASE IN PRICES OF ALL POPULAR DAIRY PRODUCTS. IMMEDIATE WIDESPREAD CRITICISM LED TO MILK BOARD RESPONSE THAT IT HAD EXTREMELY HEAVY LOSSES SINCE IMPORTED MILK PRODUCTS WERE INCLUDED UNDER FEEC' S IN NOV 1972. IN SEPARATE STATEMENT MINISTRY OF AGRICULTURE DECLARED WORLD MARKET PRICES HAD DOUBLED IN LAST 30 MONTHS AND LOCAL DAIRY PRODUCTION WAS REDUCED BY OWNERS SLAUGHTER OF DAIRY HERDS TO OBTAIN HIGHER PRICE PREVAILING FOR MEAT.

2. DOCTORS HAVE WARNED OF POSSIBLE INTENSIFICATION OF CHILDHOOD DISEASES AND MALNUTRITION. POLITICIANS OF ALL PARTIES HAVE VOICED OPPOSITION TO MILK PRICE INCREASES. UNITED FRONT BACKBENCHERS HAVE PREPARED PETITION TO MRS BANDARANAIKE, WHILE OPPOSITION PARTIES HAVE REQUESTED STATE ASSEMBLY DEBATE FOR JUNE 5.

3. COMMENT: 1972 IMPROVEMENT OF 35 PERCENT IN DOMESTIC DAIRY PRODUCTION WAS REVERSED IN EARLY 1973 BECAUSE OF WIDESPREAD  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COLOMB 01360 301331 Z

SLAUGHTERING TO TAKE ADVANTAGE OF HIGH PRICES FOR MEAT PRODUCTS.  
STATE ASSUMPTION OF SUPERVISION OF SLAUGHTERING AND MARKETING IS  
UNDERWAY, BUT SURREPTITIOUS PRIVATE SALES ARE BELIEVED TO BE  
CONTINUING. SUBSTANTIALLY HIGHER DAIRY PRICES MAY NOW REDUCE  
SLAUGHTERING INCENTIVES. MOVE TO END SUBSIDIZATION OF IMPORTED  
PRODUCTS IS TIED TO N. M. PERERA'S DECLARATION  
MAY 28 ( SEPTTEL) THAT GOVT SUBSIDIES ON ALL  
IMPORTED ITEMS, INCLUDING FOODSTUFFS, WILL SOON CEASE. UFG'S  
RECORD OF PERSISTENCE IN FACE OF OPPOSITION TO AUSTERITY MEASURES  
IS POOR, HOWEVER, AND PRESENT MOUNTING RESISTANCE WILL SEVERELY TEST  
GOVTS DETERMINATION TO REVAMPT ECONOMIC POLICIES.  
VAN HOLLEN

LIMITED OFFICIAL USE  
NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973COLOMB01360  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** COLOMBO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730555/aaaajvzl.tel  
**Line Count:** 75  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 COLOMBO 1359  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07-Jan-2002 by willialc>; APPROVED <23-Jan-2002 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> wfs 980306  
**Subject:** MILK BOARD ANNOUNCES SHARP PRICE INCREASE IN MILK PRODUCTS  
**TAGS:** EFIN, ETRD, PINT, CE  
**To:** EB  
**SECSTATE WASHDC**  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005